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Attorney for Defendant
THE KLEINFELDER GROUP, INC.

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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

SAIGUT S.A. de C.V., a Mexican corporation; and SAIPEM S.A., a French corporation Plaintiffs, vs. SEMPRA ENERGY, a California corporation; SEMPRA LNG, Delaware corporation; ENERGIA COSTA AZUL, S. de R.L. de C.V., a Mexican corporation; BVT LNG COSTA AZUL, S. de R.L. de C.V., a Mexican corporation; COSTA AZUL BMVT, S.A. de C.V., a Mexican corporation; BLACK & VEATCH CORPORATION, a Delaware corporation; TECHINT S.A. de C.V., a Mexican corporation; THE KLEINFELDER GROUP, INC., a California corporation; ARUP NORTH AMERICA LIMITED, a United Kingdom corporation; ARUP TEXAS, INC., a Texas corporation; WHESSOE OIL & GAS LIMITED, a United Kingdom corporation; Q&S ENGINEERING, INC., a California corporation; and DOES 1 through 20, inclusive, Defendants.	CASE NO. 08 CV 0478 JM BLM *Honorable Jeffrey T. Miller* Courtroom 16 (5th Floor) THE KLEINFELDER GROUP, INC.'S ANSWER TO PLAINTIFFS' COMPLAINT *Complaint Filed:* March 14, 2008

COMES NOW Defendant THE KLEINFELDER GROUP, INC. ("Defendant") and for its Answer to Plaintiff's Complaint for Damages and Other Relief, states as follows:

THE PARTIES

1. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph one of the Complaint, and therefore denies the same.

2. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph two of the Complaint, and therefore denies the same.

3. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph three of the Complaint, and therefore denies the same.

4. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph four of the Complaint, and therefore denies the same.

5. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph five of the Complaint, and therefore denies the same.

6. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph six of the Complaint, and therefore denies the same.

7. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seven of the Complaint, and therefore denies the same.

8. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph eight of the Complaint, and therefore denies the same.

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9. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph nine of the Complaint, and therefore denies the same.

10. Defendant admits the allegations contained in the first sentence of paragraph ten of the Complaint. Defendant denies the remaining allegations contained in paragraph ten of the Complaint.

11. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph eleven of the Complaint, and therefore denies the same.

12. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph twelve of the Complaint, and therefore denies the same.

13. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirteen of the Complaint, and therefore denies the same.

14. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fourteen of the Complaint, and therefore denies the same.

15. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifteen of the Complaint, and therefore denies the same.

16. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixteen of the Complaint, and therefore denies the same.

17. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seventeen of the Complaint, and therefore denies the same.

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18. Defendant denies the allegations in paragraph eighteen of the Complaint.

JURISDICTION AND VENUE

19. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph nineteen of the Complaint, and therefore denies the same.

20. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph twenty of the Complaint, and therefore denies the same.

STATEMENT OF FACTS

21. Defendant admits that it is aware of an LNG receiving terminal in Baja California named Energia Costa Azul. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph twenty-one of the Complaint, and on that basis denies the same.

22. Defendant admits there were at least two contracts in connection with the LNG terminal project. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph twenty-two of the Complaint, and on that basis denies the same.

23. Defendant admits that it was hired to perform a narrowly-tailored site investigation in connection with the LNG terminal project. In particular, Defendant gathered geotechnical data and produced two reports based on that data. Defendant denies the remaining allegations contained in the first two sentences of paragraph twenty-three of the Complaint. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph twenty-three of the Complaint, and on that basis denies the same.

24. Defendant admits that it prepared an offshore geotechnical investigation report dated November 21, 2003, revised June 4, 2004, but denies the remaining allegations contained at subparagraph (c) of paragraph twenty-four of

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the Complaint. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph twenty-four of the Complaint, and on that basis denies the same.

25. Defendant denies the allegations contained in the second sentence of paragraph twenty-five of the Complaint. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph twenty-five of the Complaint, and on that basis denies the same.

26. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph twenty-six of the Complaint, and on that basis denies the same.

27. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph twenty-seven of the Complaint, and therefore denies the same.

28. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph twenty-eight of the Complaint, and therefore denies the same.

29. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph twenty-nine of the Complaint, and therefore denies the same.

30. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty of the Complaint, and therefore denies the same.

31. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-one of the Complaint, and therefore denies the same.

32. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-two of the Complaint, and therefore denies the same.

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33. Defendant admits that it recommended, among other things, further investigation should the location of pile foundations change from those assumed in its reports. Defendant admits that Plaintiff alleges that certain entities failed to follow recommendations contained in Defendant's reports. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph thirty-three of the Complaint, and therefore denies the same.

34. Defendant denies that fractures or fissures data was not apparent from the factual data contained in its reports. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-four of the Complaint, and therefore denies the same.

35. Defendant denies the allegations contained in paragraph thirty-five of the Complaint but for the allegations contained in the last sentence, of which Defendant is without knowledge or information sufficient to form a belief as to the allegations, and therefore denies the same.

36. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-six of the Complaint, and therefore denies the same.

37. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-seven of the Complaint, and therefore denies the same.

38. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-eight of the Complaint, and therefore denies the same.

39. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph thirty-nine of the Complaint, and therefore denies the same.

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40. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty of the Complaint, and therefore denies the same.

41. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-one of the Complaint, and therefore denies the same.

42. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-two of the Complaint, and therefore denies the same.

43. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-three of the Complaint, and therefore denies the same.

44. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-four of the Complaint, and therefore denies the same.

45. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-five of the Complaint, and therefore denies the same.

46. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-six of the Complaint, and therefore denies the same.

47. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-seven of the Complaint, and therefore denies the same.

48. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-eight of the Complaint, and therefore denies the same.

49. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph forty-nine of the Complaint, and therefore denies the same.

50. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty of the Complaint, and therefore denies the same.

51. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-one of the Complaint, and therefore denies the same.

52. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-two of the Complaint, and therefore denies the same.

53. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-three of the Complaint, and therefore denies the same.

54. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-four of the Complaint, and therefore denies the same.

55. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-five of the Complaint, and therefore denies the same.

56. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-six of the Complaint, and therefore denies the same.

57. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-seven of the Complaint, and therefore denies the same.

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58. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-eight of the Complaint, and therefore denies the same.

59. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph fifty-nine of the Complaint, and therefore denies the same.

60. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty of the Complaint, and therefore denies the same.

61. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-one of the Complaint, and therefore denies the same.

62. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-two of the Complaint, and therefore denies the same.

63. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-three of the Complaint, and therefore denies the same.

64. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-four of the Complaint, and therefore denies the same.

65. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-five of the Complaint, and therefore denies the same.

66. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-six of the Complaint, and therefore denies the same.

67. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph sixty-seven of the Complaint, and therefore denies the same.

FIRST CAUSE OF ACTION

(Negligence against All Parties)

68. Defendant incorporates by reference its responses to all paragraphs contained in the Complaint.

69. Defendant admits that it was employed in connection with the LNG terminal site to provide geotechnical data, and thereafter reported its findings. Defendant is without knowledge or information sufficient to form a belief as to the remaining allegations in paragraph sixty-nine of the Complaint, and therefore denies the same.

70. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seventy of the Complaint, and therefore denies the same.

71. Defendant denies those allegations contained in paragraph seventy-one of the Complaint.

72. Defendant denies those allegations contained in paragraph seventy-two of the Complaint.

73. Defendant denies those allegations contained in paragraph seventy-three of the Complaint.

74. Defendant denies those allegations contained in paragraph seventy-four of the Complaint.

75. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seventy-five of the Complaint, and therefore denies the same.

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76. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seventy-six of the Complaint, and therefore denies the same.

77. Defendant denies those allegations contained in paragraph seventy-seven of the Complaint.

78. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seventy-eight of the Complaint, and therefore denies the same.

79. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph seventy-nine of the Complaint, and therefore denies the same.

80. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph eighty of the Complaint, and therefore denies the same.

81. Defendant denies those allegations contained in paragraph eighty-one of the Complaint.

82. Defendant denies those allegations contained in paragraph eighty-two of the Complaint.

SECOND CAUSE OF ACTION

(Negligent Misrepresentation against All Defendants except Q&S)

83. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

84. Defendant denies those allegations contained in the first sentence of paragraph eighty-four of the Complaint. Defendant is without knowledge or information sufficient to form a belief as to the allegations in the second sentence of paragraph eighty-four of the Complaint, and therefore denies the same. Defendant denies those allegations contained in the third sentence of paragraph eighty-four of the Complaint.

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85. Defendant denies those allegations contained in paragraph eighty-five of the Complaint.

86. Defendant denies those allegations contained in the first two sentences of paragraph eighty-six of the Complaint. Defendant is without knowledge or information sufficient to form a belief as to the allegations in the third sentence of paragraph eighty-six of the Complaint, and therefore denies the same.

87. Defendant denies those allegations contained in paragraph eighty-seven of the Complaint.

88. Defendant denies those allegations contained in paragraph eighty-eight of the Complaint.

89. Defendant denies those allegations contained in paragraph eighty-nine of the Complaint.

90. Defendant denies those allegations contained in paragraph ninety of the Complaint.

THIRD CAUSE OF ACTION

(Breach of Implied Warranty of Information against All Defendants)

91. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint

92. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph ninety-two of the Complaint, and therefore denies the same.

93. Defendant is without knowledge or information sufficient to form a belief as to the allegations in paragraph ninety-three of the Complaint, and therefore denies the same.

94. Defendant denies those allegations contained in paragraph ninety-four of the Complaint.

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FOURTH CAUSE OF ACTION

(Breach of Duty of Non-Hindrance against the BVT Defendants)

95. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

96. The allegations contained in paragraph ninety-six of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

97. The allegations contained in paragraph ninety-seven of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

98. The allegations contained in paragraph ninety-eight of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

99. The allegations contained in paragraph ninety-nine of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

FIFTH CAUSE OF ACTION

(Breach of Contract against the BVT Defendants)

100. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

101. The allegations contained in paragraph one hundred-one of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

102. The allegations contained in paragraph one hundred-two of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

103. The allegations contained in paragraph one hundred-three of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

104. The allegations contained in paragraph one hundred-four of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

105. The allegations contained in paragraph one hundred-five of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

106. The allegations contained in paragraph one hundred-six of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

107. The allegations contained in paragraph one hundred-seven of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

108. The allegations contained in paragraph one hundred-eight of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

109. The allegations contained in paragraph one hundred-nine of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

SIXTH CAUSE OF ACTION

(Breach of Implied Covenant of Good Faith, Fair Dealing against BVT Defendants)

110. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

111. The allegations contained in paragraph one hundred-eleven of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

112. The allegations contained in paragraph one hundred-twelve of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

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113. The allegations contained in paragraph one hundred-thirteen of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

SEVENTH CAUSE OF ACTION

(Fraud against the BVT Defendants)

114. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

115. The allegations contained in paragraph one hundred-fifteen of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

116. The allegations contained in paragraph one hundred-sixteen of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

117. The allegations contained in paragraph one hundred-seventeen of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

118. The allegations contained in paragraph one hundred-eighteen of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

119. The allegations contained in paragraph one hundred-nineteen of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

120. The allegations contained in paragraph one hundred-twenty of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

121. The allegations contained in paragraph one hundred-twenty-one of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

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122. The allegations contained in paragraph one hundred-twenty-two of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

123. The allegations contained in paragraph one hundred-twenty-three of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

124. The allegations contained in paragraph one hundred-twenty-four of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

125. The allegations contained in paragraph one hundred-twenty-five of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

126. The allegations contained in paragraph one hundred-twenty-six of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

EIGHTH CAUSE OF ACTION

(Cardinal Change/*Quantum Meruit*: the Sempra and BVT Defendants)

127. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

128. The allegations contained in paragraph one hundred-twenty-eight of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

129. The allegations contained in paragraph one hundred-twenty-nine of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

130. The allegations contained in paragraph one hundred-thirty of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

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NINTH CAUSE OF ACTION

(Mutual Mistake against BVT Defendants)

131. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

132. The allegations contained in paragraph one hundred-thirty-two of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

133. The allegations contained in paragraph one hundred-thirty-three of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

134. The allegations contained in paragraph one hundred-thirty-four of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

TENTH CAUSE OF ACTION

(*Quantum Meruit:* Reasonable Value of Work – the Sempra and BVT Defendants)

135. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

136. The allegations contained in paragraph one hundred-thirty-six of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

137. The allegations contained in paragraph one hundred-thirty-seven of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

138. The allegations contained in paragraph one hundred-thirty-eight of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

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139. The allegations contained in paragraph one hundred-thirty-nine of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

ELEVENTH CAUSE OF ACTION

(Constructive Acceleration against the BVT Defendants)

140. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

141. The allegations contained in paragraph one hundred-forty-one of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

142. The allegations contained in paragraph one hundred-forty-two of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

143. The allegations contained in paragraph one hundred-forty-three of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

144. The allegations contained in paragraph one hundred-forty-four of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

145. The allegations contained in paragraph one hundred-forty-five of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

146. The allegations contained in paragraph one hundred-forty-six of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

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TWELFTH CAUSE OF ACTION

(Injunctive Relief against the BVT Defendants)

147. Defendant reincorporates by reference its responses to all paragraphs contained in the Complaint.

148. The allegations contained in paragraph one hundred-forty-eight of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

149. The allegations contained in paragraph one hundred-forty-nine of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

150. The allegations contained in paragraph one hundred-fifty of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

151. The allegations contained in paragraph one hundred-fifty-one of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

152. The allegations contained in paragraph one hundred-fifty-two of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

153. The allegations contained in paragraph one hundred-fifty-three of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

154. The allegations contained in paragraph one hundred-fifty-four of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

155. The allegations contained in paragraph one hundred-fifty-five of the Complaint are not directed toward Defendant and therefore Defendant generally denies same.

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DEMAND FOR JURY TRIAL

Defendant hereby demands a jury trial on all causes of actions (claims) alleged in Plaintiff's Complaint and on all Affirmative Defendants raised herein.

AFFIRMATIVE AND OTHER DEFENSES

First Affirmative Defense

The Complaint fails to state a claim, in whole or in part, upon which relief can be granted.

Second Affirmative Defense

Defendant affirmatively avers that the issues of liability and damages should be bifurcated and, therefore, requests same.

Third Affirmative Defense

Defendant is informed and believes and thereon alleges that Plaintiffs are barred from recovering any damages, or any recovery must be reduced, by virtue of Plaintiffs' failure to have exercised reasonable diligence to mitigate their alleged damages.

Fourth Affirmative Defense

Any recovery on the Complaint, or any purported cause of action or claim alleged therein, is barred because the alleged damages were not proximately caused by any conduct of Defendant as alleged or otherwise.

Fifth Affirmative Defense

The Complaint, and any claims for relief therein, are barred by the applicable statutes of limitations.

Sixth Affirmative Defense

Any damages alleged in the Complaint, if there were any, were caused solely by an act or omission, contributory or comparative negligence or fault of a third party other than an employee or agent of Defendant, or other than one whose act or omission occurred in connection with a contractual relationship, existing directly or indirectly with Defendant.

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Seventh Affirmative Defense

If Defendant is judged liable for any damages claimed in the Complaint, such damage should be apportioned among all parties, proportionate to their degree of fault, and any such judgment against Defendant should be reduced or apportioned according to the principles of complete or partial indemnity.

Eighth Affirmative Defense

Defendant alleges that Plaintiffs' claims are barred to the extent their costs, if any, were incurred as the result of their violation of regulatory standards or failure to cooperate with public officials.

Ninth Affirmative Defense

Plaintiffs have failed to join indispensable parties as required under both state and federal law.

Tenth Affirmative Defense

Defendant is informed and believes and thereon alleges that Plaintiffs knew, or in the exercise of ordinary care, should have known of the risks and hazards involved in the undertaking alleged in the Complaint but nevertheless and with full knowledge, did fully and voluntarily consent to assume the risks and hazards involved in the undertaking.

Eleventh Affirmative Defense

Defendant is informed and believe and based thereon allege that any and all acts or omission of Defendant, his agents or employees, referred to in the Complaint were reasonable, and therefore, Defendant is not liable for any of the alleged injuries to Plaintiffs.

Twelfth Affirmative Defense

Defendant is informed and believes and thereon alleges that under the provisions of the Fair Responsibility Act of 1986, commonly known as proposition 51 (California Civil Code sections 1432, et seq.), there can be no recovery, judgment or award against Defendant for any non-economic damages except those allocated to Defendant in direct proportion to its percentage of fault, if any such fault or damages there be.

Thirteenth Affirmative Defense

Defendant is informed and believes and based thereon alleges that the injuries and damages complained of, if any there were, were the substantial legal result, in whole or in part, of the misconduct, acts or omissions of persons, entities or instrumentalities over which Defendant had no control, and any recovery against Defendant should to that extent be reduced or barred entirely.

Fourteenth Affirmative Defense

Plaintiffs' claims are barred by the doctrines of waiver, laches, estoppel or unclean hands.

Fifteenth Affirmative Defense

Plaintiffs' state law claims are barred due to federal preemption.

Plaintiffs' claims are barred due to accord and satisfaction.

Sixteenth Affirmative Defense

Plaintiffs' Complaint may be barred by any or all of the affirmative defenses contemplated by Rule 8 of the Federal Rules of Civil Procedure. The extent to which Plaintiffs claims may be barred by one or more of said affirmative defenses not specifically set out above cannot be determined until Defendant has the opportunity to conduct adequate discovery. Therefore, Defendant reserves the right to assert any additional defenses based upon evidence obtained during the course of discovery.

WHEREFORE, having answered Plaintiffs' Complaint, Defendant requests the following relief:

1. That Plaintiffs' causes of action or claims be dismissed;

2. That Plaintiffs recover nothing from Defendant;

3. For the costs of this action, including such attorneys' fees as are permitted by law; and

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4. For such other and further relief as this Court deems just and proper.

Dated: April 7, 2008

GORDON & REES LLP

By: /s/ Keith C. Cramer
Keith C. Cramer
Craig J. Mariam
Attorney for Defendant
THE KLEINFELDER GROUP, INC.

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